



**CHINA CONSTRUCTION BANK (ASIA)
CORPORATION LIMITED**

Regulatory Disclosures

For the quarter ended

31 March 2019

(Unaudited)

CHINA CONSTRUCTION BANK (ASIA) CORPORATION LIMITED

Regulatory Disclosures

As at 31 March 2019

(Expressed in thousands of Hong Kong Dollars)

KM1: Key Prudential Ratios

		(a)	(b)	(c)	(d)	(e)
		31 Mar 2019	31 Dec 2018	30 Sep 2018	30 Jun 2018	31 Mar 2018
Regulatory capital (amount)						
1	Common Equity Tier 1 (CET1)	54,758,877	53,465,029	52,227,241	51,147,720	49,400,837
2	Tier 1	62,570,609	61,276,761	60,038,973	58,959,452	57,212,569
3	Total capital	71,126,508	69,796,041	68,946,141	67,652,577	66,806,574
RWA (amount)						
4	Total RWA	354,070,162	353,506,502	348,069,340	364,363,519	367,725,996
Risk-based regulatory capital ratios (as a percentage of RWA)						
5	CET1 ratio (%)	15.47%	15.12%	15.00%	14.04%	13.43%
6	Tier 1 ratio (%)	17.67%	17.33%	17.25%	16.18%	15.56%
7	Total capital ratio (%)	20.09%	19.74%	19.81%	18.57%	18.17%
Additional CET1 buffer requirements (as a percentage of RWA)						
8	Capital conservation buffer requirement (%)	2.50%	1.88%	1.88%	1.88%	1.88%
9	Countercyclical capital buffer requirement (%)	2.01%	1.48%	1.45%	1.44%	1.42%
10	Higher loss absorbency requirements (%) (applicable only to G-SIBs or D-SIBs)	0.00%	0.00%	0.00%	0.00%	0.00%
11	Total AI-specific CET1 buffer requirements (%)	4.51%	3.35%	3.33%	3.32%	3.29%
12	CET1 available after meeting the AI's minimum capital requirements (%)	10.97%	10.62%	10.50%	9.54%	8.93%
Basel III leverage ratio						
13	Total leverage ratio (LR) exposure measure	487,183,239	508,292,231	482,973,669	538,023,838	512,617,934
14	LR (%)	12.84%	12.06%	12.43%	10.96%	11.16%
Liquidity Coverage Ratio (LCR) / Liquidity Maintenance Ratio (LMR)						
	Applicable to category 1 institution only:					
15	Total high quality liquid assets (HQLA)	57,458,273	56,073,903	58,108,720	59,510,325	64,052,180
16	Total net cash outflows	19,913,020	20,764,442	25,649,355	35,487,008	44,823,242
17	LCR (%)	289.62%	276.50%	231.83%	168.95%	144.74%
	Applicable to category 2 institution only:					
17a	LMR (%)	N/A	N/A	N/A	N/A	N/A
Net Stable Funding Ratio (NSFR) / Core Funding Ratio (CFR)						
	Applicable to category 1 institution only:					
18	Total available stable funding	325,064,763	328,991,557	327,223,092	324,187,296	332,353,538
19	Total required stable funding	232,013,984	235,626,132	239,241,739	253,184,082	262,620,321
20	NSFR (%)	140.11%	139.62%	136.78%	128.04%	126.55%
	Applicable to category 2A institution only:					
20a	CFR (%)	N/A	N/A	N/A	N/A	N/A

CHINA CONSTRUCTION BANK (ASIA) CORPORATION LIMITED

Regulatory Disclosures

As at 31 March 2019

(Expressed in thousands of Hong Kong Dollars)

OV1: Overview of RWA

The following table provides an overview of the capital requirements in terms of detailed breakdown of RWAs for credit risk, market risk and operational risk. Minimum capital requirement means the amount of capital required to be held for that risk based on its risk-weighted amount multiplied by 8%.

		(a)	(b)	(c)
		RWA		Minimum capital requirements
		As at 31 March 2019	As at 31 December 2018	As at 31 March 2019
1	Credit risk for non-securitization exposures	310,950,768	310,286,729	24,876,061
2	Of which STC approach	310,950,768	310,286,729	24,876,061
2a	Of which BSC approach	-	-	-
3	Of which foundation IRB approach	-	-	-
4	Of which supervisory slotting criteria approach	-	-	-
5	Of which advanced IRB approach	-	-	-
6	Counterparty default risk and default fund contributions	1,621,453	1,851,632	129,716
7	Of which SA-CCR	N/A	N/A	N/A
7a	Of which CEM	1,595,632	1,787,850	127,650
8	Of which IMM(CCR) approach	-	-	-
9	Of which others	25,821	63,782	2,066
10	CVA risk	635,063	760,200	50,805
11	Equity positions in banking book under the simple risk-weight method and internal models method	-	-	-
12	Collective investment scheme ("CIS") exposures – LTA	N/A	N/A	N/A
13	CIS exposures – MBA	N/A	N/A	N/A
14	CIS exposures – FBA	N/A	N/A	N/A
14a	CIS exposures – combination of approaches	N/A	N/A	N/A
15	Settlement risk	-	-	-
16	Securitization exposures in banking book	-	-	-
17	Of which SEC-IRBA	-	-	-
18	Of which SEC-ERBA	-	-	-
19	Of which SEC-SA	-	-	-
19a	Of which SEC-FBA	-	-	-
20	Market risk	25,862,700	25,589,713	2,069,016
21	Of which STM approach	25,862,700	25,589,713	2,069,016
22	Of which IMM approach	-	-	-
23	Capital charge for switch between exposures in trading book and banking book (not applicable before the revised market risk framework takes effect)	N/A	N/A	N/A
24	Operational risk	13,699,150	13,717,200	1,095,932
24a	Sovereign concentration risk	N/A	N/A	N/A
25	Amounts below the thresholds for deduction (subject to 250% RW)	1,301,028	1,301,028	104,082
26	Capital floor adjustment	-	-	-
26a	Deduction to RWA	-	-	-
26b	Of which portion of regulatory reserve for general banking risks and collective provisions which is not included in Tier 2 Capital	-	-	-
26c	Of which portion of cumulative fair value gains arising from the revaluation of land and buildings which is not included in Tier 2 Capital	-	-	-
27	Total	354,070,162	353,506,502	28,325,612

During the quarter ended 31 March 2019, total RWAs increased by HK\$564 million mainly due to increase in RWAs for non-securitization credit exposures attributed by increase in corporate exposures.

CHINA CONSTRUCTION BANK (ASIA) CORPORATION LIMITED

Regulatory Disclosures

As at 31 March 2019

(Expressed in thousands of Hong Kong Dollars)

LR2: Leverage ratio (“LR”)

		(a)	(b)
		As at 31 March 2019	As at 31 December 2018
On-balance sheet exposures			
1	On-balance sheet exposures (excluding those arising from derivative contracts and SFTs, but including collateral)	456,122,750	477,994,645
2	Less: Asset amounts deducted in determining Tier 1 capital	(288,758)	(396,042)
3	Total on-balance sheet exposures (excluding derivative contracts and SFTs)	455,833,992	477,598,603
Exposures arising from derivative contracts			
4	Replacement cost associated with all derivative contracts (where applicable net of eligible cash variation margin and/or with bilateral netting)	2,197,585	2,927,572
5	Add-on amounts for PFE associated with all derivative contracts	2,782,285	3,215,688
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
7	Less: Deductions of receivables assets for cash variation margin provided under derivative contracts	(130,938)	(67,176)
8	Less: Exempted CCP leg of client-cleared trade exposures	-	-
9	Adjusted effective notional amount of written credit derivative contracts	-	-
10	Less: Adjusted effective notional offsets and add-on deductions for written credit derivative contracts	-	-
11	Total exposures arising from derivative contracts	4,848,932	6,076,084
Exposures arising from SFTs			
12	Gross SFT assets (with no recognition of netting), after adjusting for sale accounting transactions	3,024,676	4,242,458
13	Less: Netted amounts of cash payables and cash receivables of gross SFT assets	-	-
14	CCR exposure for SFT assets	129,104	-
15	Agent transaction exposures	-	-
16	Total exposures arising from SFTs	3,153,780	4,242,458
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	97,429,545	89,176,242
18	Less: Adjustments for conversion to credit equivalent amounts	(71,889,333)	(66,492,357)
19	Off-balance sheet items	25,540,212	22,683,885
Capital and total exposures			
20	Tier 1 capital	62,570,609	61,276,761
20a	Total exposures before adjustments for specific and collective provisions	489,376,916	510,601,030
20b	Adjustments for specific and collective provisions	(2,193,677)	(2,308,799)
21	Total exposures after adjustments for specific and collective provisions	487,183,239	508,292,231
Leverage ratio			
22	Leverage ratio	12.84%	12.06%

CHINA CONSTRUCTION BANK (ASIA) CORPORATION LIMITED

Regulatory Disclosures

As at 31 March 2019

(Expressed in thousands of Hong Kong Dollars)

LIQ1: Liquidity coverage ratio - for category 1 institution

The average LCR of China Construction Bank (Asia) Limited (“the Bank”) was maintained at a stable level in the first quarter of 2019.

The Bank’s High Quality Liquidity Assets (“HQLA”) consists of cash, balances at central banks and high quality marketable securities issued or guaranteed by sovereigns, central banks, mainland policy banks and non-financial corporate debt securities. The Bank’s primary sources of funds were retail and corporate customer deposits. The funding base was also supplemented by wholesale funding such as issuance of certificates of deposit, term debts and short-term interbank money market borrowing.

The Bank’s customer deposits are mainly denominated in HKD. To meet customers’ loan demand, the Bank swaps surplus HKD funding into USD and other foreign currencies. This results in some currency mismatch in the LCR.

The currency mismatch between the HQLA and the net cash outflow in the calculation of LCR is controlled and monitored via individual currency LCR limits. The HQLA mix is further governed by concentration caps and limits in accordance with statutory requirements and internal policy requirements for risk management purposes.

The Bank closely monitors all its exchange traded and over-the-counter derivative exposures arising from customer transactions and their corresponding hedging activities. Collateral may be required to be posted to counterparties depending on the marked-to-market position of the derivative contracts. Nonetheless, such exposures are not material and hence the impact of the relevant cash outflows was minimal to the LCR levels.

The composition of the Bank’s HQLA was:

	Weighted amount (average value) at quarter ended March 31, 2019
Level 1 assets	50,687,732
Level 2A assets	1,290,362
Level 2B assets	5,480,179
Total weighted amount of HQLA	57,458,273

CHINA CONSTRUCTION BANK (ASIA) CORPORATION LIMITED

Regulatory Disclosures

As at 31 March 2019

(Expressed in thousands of Hong Kong Dollars)

LIQ1: Liquidity coverage ratio- for category 1 institution (Continued)

The below template presents the details of LCR, high quality liquid assets (“HQLA”), and a breakdown of cash outflows and inflows.

		Quarter ended 31 March 2019 (73 data points)	
		(a)	(b)
Basis of disclosure: Hong Kong office		Unweighted value (average)	Weighted value (average)
A. HQLA			
1	Total HQLA		57,458,273
B. CASH OUTFLOWS			
2	Retail deposits and small business funding, of which:	223,906,537	15,419,390
3	Stable retail deposits and stable small business funding	3,621,113	108,633
4	Less stable retail deposits and less stable small business funding	85,929,693	8,592,970
4a	Retail term deposits and small business term funding	134,355,731	6,717,787
5	Unsecured wholesale funding (other than small business funding), and debt securities and prescribed instruments issued by the AI, of which:	85,140,793	51,200,846
6	Operational deposits	-	-
7	Unsecured wholesale funding (other than small business funding) not covered in row 6	85,120,409	51,180,462
8	Debt securities and prescribed instruments issued by the AI and redeemable within the LCR period	20,384	20,384
9	Secured funding transactions (including securities swap transactions)		-
10	Additional requirements, of which:	32,289,756	7,766,191
11	Cash outflows arising from derivative contracts and other transactions, and additional liquidity needs arising from related collateral requirements	2,462,390	2,462,390
12	Cash outflows arising from obligations under structured financing transactions and repayment of funding obtained from such transactions	-	-
13	Potential drawdown of undrawn committed facilities (including committed credit facilities and committed liquidity facilities)	29,827,366	5,303,801
14	Contractual lending obligations (not otherwise covered in Section B) and other contractual cash outflows	3,101,613	3,101,613
15	Other contingent funding obligations (whether contractual or non-contractual)	134,120,268	928,280
16	Total Cash Outflows		78,416,320
C. CASH INFLOWS			
17	Secured lending transactions (including securities swap transactions)	471,494	-
18	Secured and unsecured loans (other than secured lending transactions covered in row 17) and operational deposits placed at other financial institutions	102,481,861	60,901,053
19	Other cash inflows	71,229,642	3,361,569
20	Total Cash Inflows	174,182,997	64,262,622
D. LIQUIDITY COVERAGE RATIO (ADJUSTED VALUE)			
21	Total HQLA		57,458,273
22	Total Net Cash Outflows		19,913,020
23	LCR (%)		289.62%